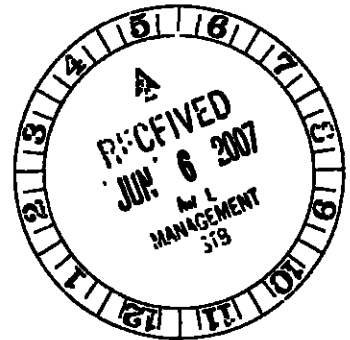


219473

JOHN D. HEFFNER, PLLC
1920 N STREET, N.W.
SUITE 800
WASHINGTON, D.C. 20036
(202) 263-4180
FAX (202) 296-3939
j.heffner@verizon.net

ORIGINAL



June 6, 2007

BY HAND

Hon. Vernon A. Williams, Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

**RE: STB Finance Docket No. 35042, U S Rail
Corporation -- Lease And Operation Exemption -
Shannon G., a New Jersey limited liability company**

Dear Mr. Williams:

On behalf U S Rail Corporation ("U S Rail"), I am submitting an original and ten copies of a verified notice of exemption for the lease and operation of a rail line pursuant to 49 U.S.C. 10902 and 49 CFR 1150.41. In addition, I am enclosing a check for \$1,600 to cover the filing fee and a copy of this filing on a disk formatted in MS Word.

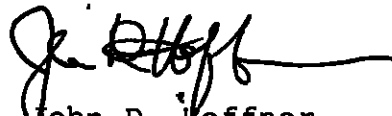
Please date stamp and return one copy of this letter.

**ENTERED
Office of Proceedings**

JUN 6 - 2007

**Part of
Public Record**

Sincerely yours,


John D. Heffner
Counsel

Enclosures

cc: Mr. Gabe Hall

FEE RECEIVED

JUN 06 2007

**SURFACE
TRANSPORTATION BOARD**

FILED

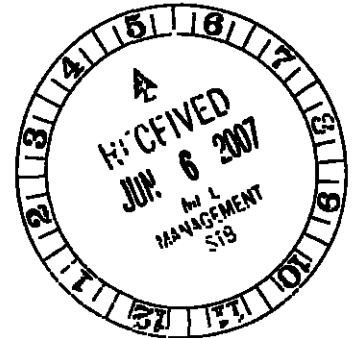
JUN 06 2007

**SURFACE
TRANSPORTATION BOARD**

219473
ORIGINAL

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 35042



**U S RAIL CORPORATION
-- LEASE AND OPERATION EXEMPTION --
SHANNON G., a New Jersey limited liability company**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902 and 49 CFR 1150.41**

NOTICE OF OPERATION OF RAIL LINE

FILED

JUN 06 2007

**SURFACE
TRANSPORTATION BOARD**

Submitted By:

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

Counsel for Petitioner

**ENTERED
Office of Proceedings**

JUN 6 - 2007

**Part of
Public Record**

FEE RECEIVED

JUN 06 2007

**SURFACE
TRANSPORTATION BOARD**

Dated: June 6, 2007

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 35042



**U S RAIL CORPORATION
--LEASE AND OPERATION EXEMPTION --
SHANNON G., a New Jersey limited liability company**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902 and 49 CFR 1150.41**

NOTICE OF OPERATION OF RAIL LINE

INFORMATION REQUIRED BY 49 CFR 1150.43

Name and Address of Applicant 49 CFR 1150.43(a)

U S Rail Corporation
7846 Central
Toledo, OH 43617

Applicant's Representative 49 CFR 1150.43(b)

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

Statement of Agreement(s)

49 CFR 1150.43(c)

U S Rail Corporation ("U S Rail") has executed a Railroad Operating and Property Lease Agreement with Shannon G., a New Jersey limited liability company ("Shannon") for the common carrier lease and operation of a rail-served transload terminal in Paterson, NJ (hereafter "the Line").

Operator of the Property

49 CFR 1150.43(d)

In all cases anticipated by this Notice, and as described in the transaction summary provided below, U S Rail will hold itself out as the exclusive provider of common carrier rail freight service over the Line.

Brief Summary of Transaction

49 CFR 1150.43(e)

This transaction involves the common carrier lease and operation of rail service at a rail-served transload terminal owned by Shannon, a New Jersey limited liability company that is engaged in real estate development. U S Rail has been granted an exclusive railroad operating lease to provide common carrier rail freight service over the

¹ U S Rail currently provides common carrier rail freight service as a class III carrier under the name Great Miami & Scioto Railway on 129 route miles of track in Southern Ohio. See, The Great Miami & Scioto Railway Company-Change in Operator Exemption-Certain Lines of the City of Jackson, OH, Finance Docket No. 32417 (served Jan. 20, 1994). U S Rail is currently in the process of changing the name of that carrier to U S Rail and will have completed that name change by the time this exemption is effective.

Line for a 30 year term beginning October 1, 2006.²

Shannon, a noncarrier, is currently constructing the subject trackage as a private railroad outside the regulatory jurisdiction of the Board. U S Rail seeks to operate this trackage as a railroad common carrier. Utilizing the lines and services of one or more connecting railroads between Ohio and New Jersey, U S Rail will move traffic between customers on its existing Jackson Division in Ohio³ and between customers on an additional line that U S Rail may be operating in Ohio in the very near future, on the one hand, and, on the other, customers located in New Jersey. Because U S Rail has found that there are a lack of rail-served public transloading facilities in mid-New Jersey, it seeks to develop this facility to serve those customers.

- (1) The name and address of the entity leasing the subject property to the class III rail carrier applicant:**

Shannon G.,
737 Broad Street
Clifton, NJ 07013

- (2) The proposed time schedule for consummation of the transaction:**

Within 30 days of the date of this notice

- (3) The mileposts of the subject property, including any branch lines; and**

² Operations under that lease will not begin until this notice is effective.

³ Described in footnote 1.

There are no mileposts on the Line.

(4) The total length of track to be leased and operated:

Approximately 1400 feet.

(5) Status of track construction:

Shannon is constructing the Line as a private track outside Board jurisdiction. Track grading and laying of subballast have been completed. Track panels and finished ballast will be completed within two weeks. The track will be operational by the time this notice takes effect.

(6) Description of commodities to be transported:

Inbound stone, brick, lumber, structural steel, salt, and clay will be the principal commodities to be handled. U S Rail does not intend to solicit and does not expect to handle any sort of waste traffic including construction and demolition debris.

(7) Description of operations:

U S Rail will provide daily switching and interchange service at this facility and anticipates handling in excess of 2000 car loads

of freight per year which it will interchange
with the New York Susquehanna & Western Railway.

Map **49 CFR 1150.43(f)**

A map is attached as Exhibit A.

Certificate of Carrier Classification **49 CFR 1150.43(g)**

U S Rail certifies that, with this acquisition, its projected annual revenues will not result in the creation of a Class II or Class I rail carrier so as to require processing under sec. 1150.45. A certificate complying with the provisions of 49 CFR 1150.43(g) is attached as Exhibit B to this notice.

Labor Protection

Under 49 U.S.C 10902 labor protective conditions do not apply and will not be imposed. In any event, no employees will be adversely affected.

Caption Summary **49 CFR 1150.34**

A caption summary in the prescribed form is attached as Exhibit C to this Notice.


Environmental and Historic Preservation Data **49 CFR 1105**

Pursuant to 49 CFR 1105.6(c) (2), the proposed transaction is exempt from environmental review under 49 CFR 1105(c) (2) (i), because the actions proposed herein

will not cause any operating changes that exceed the thresholds established in 1105.7(e) (4) or (5).

In addition, this transaction is exempt from historic review under 1105.8(b) (1). Under this section, a sale, lease or transfer of a rail line is exempt if rail operations will continue. Further Board approval is required for the parties to abandon service, and there are no plans to dispose of or alter the properties subject to Board jurisdiction.

Respectfully submitted,



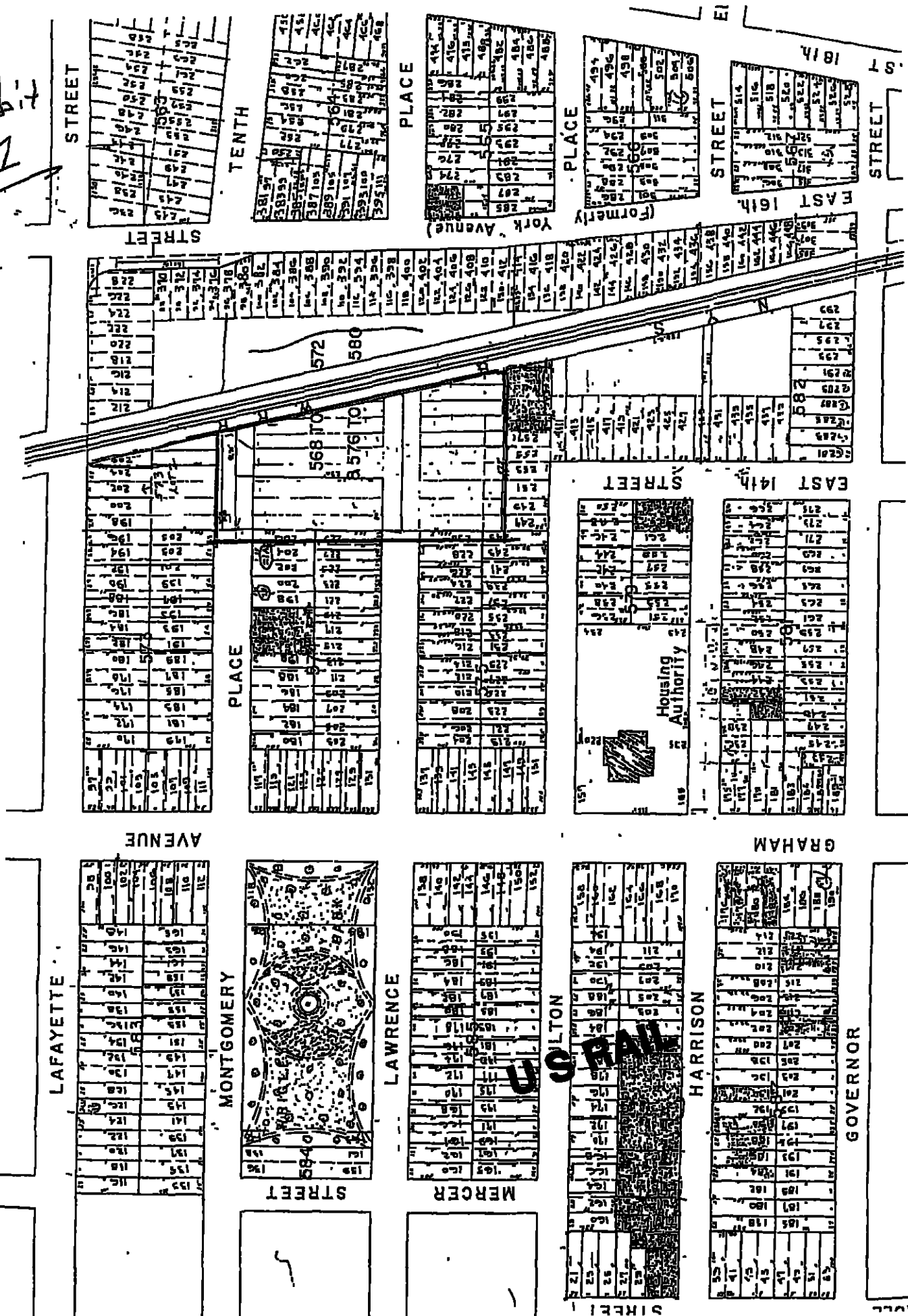
John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

Counsel for Petitioner

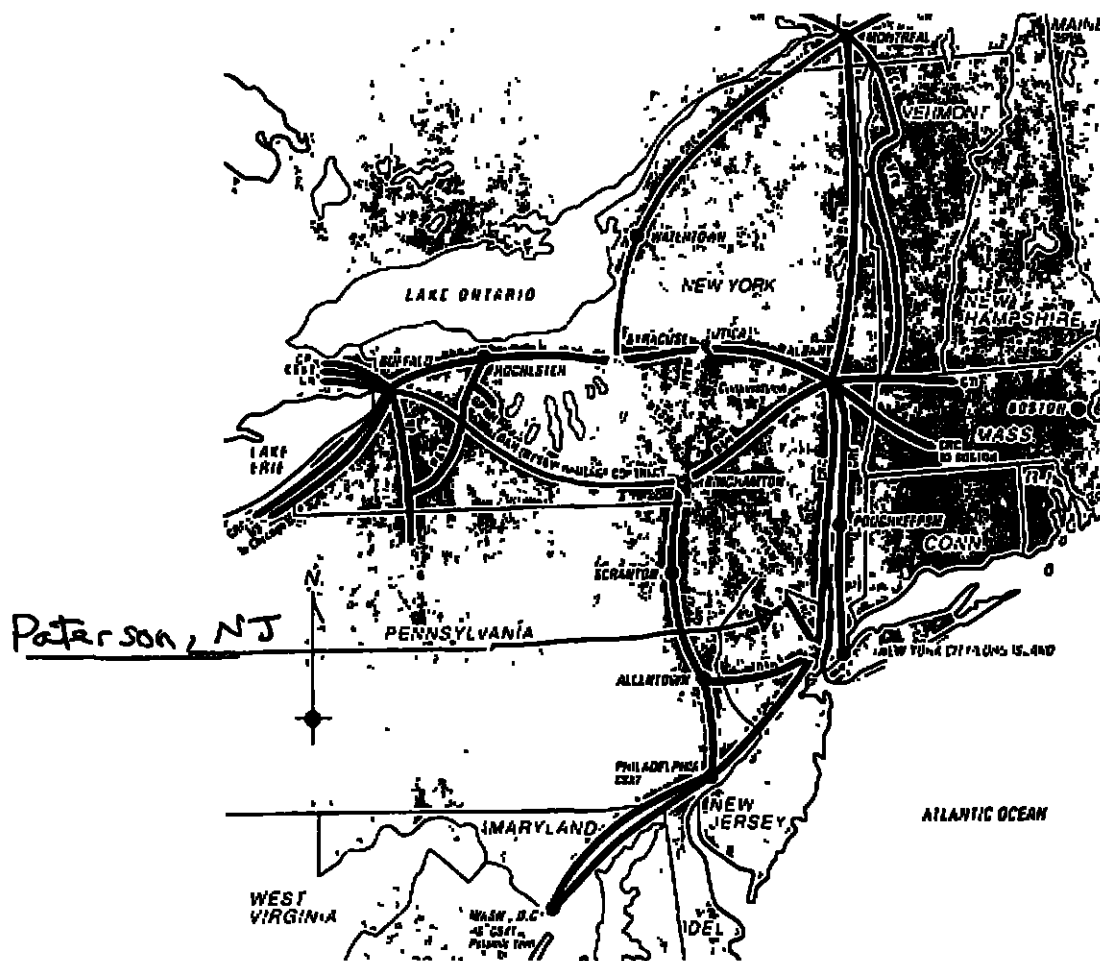
Dated: June 6, 2007

EXHIBIT A

Exhibit
1



Eastern Region



[Return to Map Page](#)

North Bergen, NJ | Saddle Brook, NJ | Oakland, NJ | Riverdale, NJ
Sparta, NJ | Cortland, NY | Syracuse, NY


Questions or comments about this web site? Contact the [webmaster](#)



EXHIBIT B

CERTIFICATION

I, Gabriel Hall, an officer of the
USRAIL ("_____") hereby certify under
penalty of perjury that the projected annual railroad operating
revenues of Petersen Division in the aggregate, will not exceed
\$5,000,000, and that USRAIL will be a Class III rail
carrier as set forth at 49 CFR 1201 (1-1) (a). Further, I
certify that I am qualified and authorized to make this
certification on behalf of USRAIL.



Signature

EXHIBIT C

STB FINANCE DOCKET NO. 35042

U S RAIL CORPORATION
-- LEASE AND OPERATION EXEMPTION --
SHANNON G., a New Jersey limited liability company

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902 and 49 CFR 1150.41

NOTICE OF OPERATION OF RAIL LINE

U S Rail Corporation ("U S Rail"), an existing class III short line railroad,¹ has filed a Verified Notice of Exemption under 49 CFR 1150.41 to lease and operate a line of railroad currently owned by Shannon G. ("Shannon"), a noncarrier and New Jersey limited liability company. This transaction involves the provision of common carrier rail service over private track owned by Shannon. The rail properties that are the subject of this transaction are located in Paterson, NJ, are approximately 1400 feet in length, and do not have any mileposts.

U S Rail intends to consummate this transaction on or about July 6, 2007, at least 30 days from the date of filing this notice.

This notice is filed under 49 C.F.R. 1150.41. If the notice

¹ U S Rail currently operates a class III short line common carrier railroad in Ohio under the name The Great Miami & Scioto Railroad. It will change that name to U S Rail by the time this exemption becomes effective.

contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction. An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35042 must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Branch, 395 E Street, S.W., Washington, D.C. 20423. In addition, a copy of each pleading must be served on:

For U S Rail Corporation:
John D. Heffner, Esq.
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C., 20036
Telephone: (202) 263-4180

(seal)

Vernon A. Williams
Secretary

VERIFICATION

STATE OF)
) SS
CITY OF)

Gabriel Hall, being duly sworn according to law,
hereby deposes and states that (s)he is authorized to make the
Verification, has read the foregoing document, and knows the facts
asserted therein are true and accurate as stated, to the best of
(her)his knowledge, information and belief.

G Hall

Subscribed and sworn to before me, a Notary Public, in and for the
City of Tolledo in the State of Ohio, this 6 day of
June.

Cynthia L. Kerr
Notary Public

My Commission expires:

CYNTHIA S. KERR
Notary Public, State of Ohio
My Commission Expires 09-06-2011